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Regulated Investment Company 2002



tax.utah.gov

Form TC-20R Tax Return and Instructions

Utah State Tax Commission
210 North 1950 West
Salt Lake City, Utah 84134

What's New?

The interest rate for the 2003 calendar year has been reduced to 5 percent.

Important Information Regarding Extension of Time to File

An extension of time to file your tax return is NOT an extension of time to pay your taxes. Tax must be paid by the due date. You are automatically allowed an extension of up to six months to file your return. However, if the prepayment requirements have not been met on or before the original due date, penalties will be assessed.

Need more information?

Telephone (801) 297-2200 or 1-800-662-4335

Forms (801) 297-6700 or 1-800-662-4335 ext. 6700

You can find additional tax information and forms on the Tax Commission's web page, tax.utah.gov.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (TDD) (801) 297-2020. Please allow three working days for a response.

General Instructions and Information

Corporation Identification Numbers

The Utah State Tax Commission uses the Employer Identification Number (EIN) as the corporation's taxpayer identification number with the state. The Utah Department of Commerce issues a registration number upon incorporation or qualification in Utah. Enter the EIN and Utah Incorporation/Qualification Number in the fields provided. Include your EIN or Utah Incorporation/Qualification Number for proper identification of the corporate tax return or correspondence.

Corporation Changes

Regulated investment company (RIC) changes (e.g., name change, merger, or ceasing to do business in Utah) must be reported to both:

Division of Corporations
Department of Commerce
160 E 300 S
Salt Lake City, UT 84145

and

Master File Maintenance
Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134

Dissolution or Withdrawal

RICs that cease to do business in Utah must either dissolve or withdraw the corporation. RICs that are incorporated in Utah must file Articles of Dissolution with the Department of Commerce. In addition, Utah RICs are encouraged to obtain a Certificate of Tax Clearance prior to dissolution.

RICs that are incorporated outside of Utah (foreign) MUST obtain a Certificate of Tax Clearance from the Tax Commission before withdrawing from Utah. Foreign RICs must file an Application for Withdrawal with the Department of Commerce.

To request a Certificate of Tax Clearance, complete form TC-2001 and submit it to the attention of the Customer Services Call Unit at the Tax Commission address above.

To close related tax accounts, (sales, withholding, etc.), send a letter, with the account number(s) and the last date of business, to the attention of Master File Maintenance at the Tax Commission address above.

Who Must File

Every regulated investment company (RIC) or fund of such company, as defined in IRC Sections 851(a) or 851(h), that is organized under the laws of Utah must file form TC-20R.

Due Date

Returns are due on or before April 15 (for calendar year filers) or the 15th day of the fourth month following the close of the taxable year (for fiscal year filers).

Filing Extension

RICs are automatically allowed an extension of up to six months to file a return without filing an extension form.

This is an extension of time to file the return — NOT an extension of time to pay taxes. To avoid penalty and interest, the prepayment requirements must be met on or before the original return due date and all returns must be filed within the six-month extension period.

Prepayment Requirements

Every RIC having a Utah tax liability of \$3,000 or more in the current year, or a tax liability of \$3,000 or more in the previous year, must make quarterly estimated tax prepayments.

An RIC is not subject to the prepayment requirements the first year the RIC is required to file a return in Utah if the RIC makes a payment on or before the due date, without extension, equal to or greater than the minimum tax.

Quarterly prepayments are due in four equal payments on the 15th day of the 4th, 6th, 9th and 12th months of the RIC's taxable year. RICs may elect to make the quarterly prepayments equal to 90 percent of the current year's tax or 100 percent of the prior year's tax. As defined in IRC Section 6655, the applicable percentage of the required annual payment for annualized income installments, for adjusted seasonal installments, and for estimated tax payments based on the current year tax liability, is the following:

<u>Installment</u>	<u>Percentage</u>
1st	22.5
2nd	45.0
3rd	67.5
4th	90.0

If a taxpayer elects a different annual period than the period used for federal purposes, the taxpayer must make an election with the Tax Commission at the same time as provided in IRC Section 6655. Prepayments should be made with form TC-559, "Utah Corporation Franchise/Income Tax Payment Coupon."

Prepayment of Minimum Tax

RICs that meet the prepayment requirement in the **current** year and that had a tax liability of \$100 (the minimum tax) for the previous year may choose to prepay the minimum tax amount of \$100 on the 15th day of the 12th month instead of four increments of \$25.

RICs that met the prepayment requirement in the **previous** year and have a tax liability of \$100 (the minimum tax) in the current year may choose to prepay the minimum tax amount of \$100 on the 15th day of 12th month instead of four increments of \$25. In this scenario, the RIC must pay \$100, not 90 percent.

RICs not making the required tax prepayments are subject to a penalty as stated in "Penalties," below.

Minimum Tax

There is a minimum tax (privilege tax) of \$100 on every RIC regardless of whether the RIC exercises its right to do business.

Penalties

The penalty for **failure to file a tax due return** by the due date is the greater of \$20 or 10 percent of the unpaid tax. In addition, if a tax balance remains unpaid 90 days after the due date, a second penalty, the greater of \$20 or 10 percent of the tax balance, will be added for failure to pay timely.

The penalty for **failure to pay tax due** as reported on a timely filed return, or within 30 days of a notice of deficiency, is the greater of \$20 or 10 percent of the tax due.

The penalty for **underpayment of the extension prepayment** is 2 percent per month of the unpaid tax during the extension period. If the return is not filed by the extension due date, failure to file and failure to pay penalties will apply as if the extension has not been granted.

Penalty for **failure to file an information return** or complete supporting schedule is \$50 for each return or schedule, up to a maximum of \$1,000.

The penalty for each **underpayment of required estimated tax or required quarterly installment** is determined by applying the state interest rate(s) in effect for the period of the underpayment, plus four percentage points, to the amount of the underpayment for the period of the underpayment.

For a list of additional penalties that may be imposed, refer to UCA §59-1-401.

The Tax Commission will calculate the penalty for underpayment of required prepayments. Taxpayers who would like to calculate their own penalty may contact the Tax Commission at (801) 297-7790 or 1-800-662-4335, ext. 7790 for assistance.

Exceptions to Penalty on Estimated Tax

Annualized Exception

An RIC may annualize its income before determining the amount of each installment. It is recommended that federal guidelines be followed in determining annualized income. If the RIC meets the annualized exception at the federal level, for any installment, check the appropriate box(es) on form TC-20R, line 15.

Recurring Seasonal Exception

An RIC with recurring seasonal income may annualize its income before determining the amount of each installment. It is recommended that federal guidelines be followed in determining seasonal income. If the RIC meets the seasonal exception at the federal level, for any installment, check the appropriate box(es) on form TC-20R, line 15.

Interest

The interest rate applicable for most taxes and fees administered by the Tax Commission is two percentage points above the federal short-term rate in effect for the preceding fourth calendar quarter. The IRS publishes this rate in September of each year.

The interest rate for most taxes and fees administered by the Tax Commission for the 2003 calendar year is **5 percent**.

Suspension for Failure to Pay Tax Due

Utah law provides for suspension of the RICs right to do business in Utah if the RIC fails to pay tax due before 5:00 p.m. on the last day of the 11th month after the due date.

Supporting Federal Information

Form 1120-RIC, as filed with the IRS, should be included with the filing of the Utah Return (form TC-20R). Other detail schedules should NOT be included with the initial filing. The Auditing Division of the Tax Commission may request these detail schedules at a later date.

Instructions for Return

Rounding Off to Whole-Dollar Amounts

All entries must be made in whole-dollar amounts.

Corporation Name and Address Area

Enter the RIC name, address and telephone number in the space provided.

Corporation Identification Numbers

Enter the Employer Identification Number (EIN) and Utah Incorporation/Qualification Number in the appropriate fields.

Amended Returns

To amend a return use the tax form and instructions for the year you are amending.

Amend your return promptly if:

1. An error is discovered on your state or federal return after it has been filed; or
2. Your federal return is audited or adjusted by the IRS and the IRS audit or adjustment affects your state return. You must report such changes or corrected net income within 90 days of the IRS's final determination.

Do not submit an amended return for the purpose of claiming a loss carryback refund. The Tax Commission automatically calculates this. Any refund will be mailed to the corporation.

To qualify for a refund or credit, an amended return must be filed within three years following the date the original return was filed. A return filed before the due date is considered filed on the due date.

To amend a previously filed return, enter a number in the box titled "Enter code (1-4) for amended return" that best corresponds to your "REASON FOR AMENDING." See codes below:

The Reasons for Amending

1. You filed an amended return with the IRS. (Attach a copy of your amended federal return.)
2. You made an error on your state return. (Attach an explanation of the adjustments made.)
3. Federal audit adjustments that resulted in changes in federal taxable income were issued and became final. (Attach a copy of the IRS adjustment.)
4. Other (Attach explanation to return.)

Complete the return, entering the corrected figures. Enter other amounts shown on the original return. When filing an amended return, enter the amount of tax paid with the original return and/or subsequent pay-

ments of the tax prior to filing the amended return less any previous refunds (exclude refund interest).

Remember: Except for the amounts amended, the amounts entered on the return must match the original return.

Line-by-Line Instructions

Line 1 – Net Income/Loss

Enter the RIC taxable income from federal form 1120-RIC, line 26.

Line 2 – Municipal Interest

Enter the municipal interest as determined by IRC Section 852(b)(2).

Line 3 – Net Capital Gain

Enter net capital gain exclusion as determined by IRC Section 852(b)(2).

Line 4 – Net Taxable Income

Add lines 1 through 3.

Line 5 – Capital Gain Dividends

Enter the deduction for capital gains dividends as defined in IRC Sections 852(b)(3)(c) and 852(b)(5).

Line 6 – Exempt Interest Dividends

Enter the exempt interest dividends as defined in IRC Sections 852(b)(3)(c) and 852(b)(5).

Line 7 – Total Net Taxable Income

Line 4 less lines 5 and 6.

Line 8 – Calculation of Tax

Multiply line 7 by .05, or enter the \$100 minimum tax due, whichever is greater.

Line 9 – Total Penalties and Interest

Enter any applicable penalty and interest amounts on the appropriate lines. Enter the total amount on this line. The Tax Commission will calculate the penalty for underpayment of required prepayments. See "General Instructions" regarding penalties and interest.

Line 10 - Utah Use Tax

Use tax is required on all taxable items purchased for storage, use or consumption in Utah, if Utah sales and use tax was not paid at the time of purchase.

Purchases include amounts paid or charged for purchases made on the Internet or through catalogs. Credit is allowed for sales taxes paid to another state, but not to a foreign country. If the tax rate in the other state is lower than the Utah tax rate, the corporation is required to pay the difference. If the tax rate in the other state is greater than Utah's tax rate, no sales or use tax credit or refund applies.

Enter use tax of \$400 or less. If the amount exceeds \$400, the purchaser is required to obtain a sales and use tax license and to pay the use tax on a sales and use tax return.

Sales and use tax rates vary throughout Utah. Use the chart on the next page to find the tax rate for the location where the merchandise was delivered, stored, used or consumed. If the city is not listed, use the county rate.

Complete the worksheet on this page to determine the amount of use tax due. Credit for taxes paid to another state cannot exceed the Utah tax that would otherwise be due on those items. If sales taxes were paid to more than one state, complete a worksheet for each state. Enter the sum of the use tax from each worksheet.

Line 11 - Total Tax, Penalty, and Interest Due

Add lines 8, 9 and 10.

Line 12 - Total Prepayments

Enter the total from Schedule E, line 4.

Line 13 - Total Remitted

If line 11 is larger than line 12, subtract line 12 from line 11. Make check or money order payable to the Utah State Tax Commission. **Do not mail cash. The Tax Commission assumes no liability for loss of cash placed in mail.** Attach a schedule for any nonrefundable credits claimed.

Line 14 - Total Refund

If line 12 is larger than line 11, subtract line 11 from line 12.

Line 15 - Quarterly Estimated Prepayments Meeting Exception

Check boxes corresponding to the four quarterly prepayments for those quarters in which penalty exceptions exist. Refer to "Exceptions to Penalty on Estimated Tax" in the General Instructions for more information. Attach supporting documentation.

Use Tax Rate Chart (Effective Dec. 31, 2002)

.0600	Beaver County	.0660	Salt Lake County
.0700	Beaver	.0760	Alta
.0600	Box Elder County	.0600	San Juan County
.0625	Brigham, Perry, Willard	.0650	Monticello
.0600	Cache County	.0600	Sanpete County
.0625	Cache Valley Transit, Hyde Park, Hyrum, Logan, Millville, Nibley, N.Logan, Providence, Richmond, River Heights, Smithfield	.0625	Ephraim, Gunnison
.0600	Carbon County	.0600	Sevier County
.0625	Price, Wellington	.0625	Richfield, Salina
.0600	Daggett County	.0610	Summit County
.0650	Davis County	.0735	Park City
.0600	Duchesne County	.0600	Tooele County
.0625	Roosevelt	.0625	Erda, Grantsville, Lakepoint, Lincoln, Tooele City, Stansbury Park
.0575	Emery County	.0650	Uintah County
.0750	Green River	.0675	Vernal
.0700	Garfield County	.0600	Utah County
.0800	Boulder, Panguitch, Tropic	.0625	Alpine, American Fork, Lehi, Linton, Mapleton, Orem, Payson, Pleasant Grove, Provo, Provo Canyon, Salem, Highland, Spanish Fork, Springville, Cedar Hills
.0600	Grand County	.0600	Wasatch County
.0775	Moab, East Green River	.0625	Heber
.0600	Iron County	.0600	Washington Cnty
.0775	Brian Head	.0625	Hurricane, Ivins, La Verkin, St. George, Santa Clara, Washington City
.0600	Juab County	.0750	Springdale
.0625	Nephi	.0600	Wayne County
.0675	Kane County	.0650	Weber County
.0775	Kanab, Orderville		
.0575	Millard County		
.0600	Morgan County		
.0600	Piute County		
.0600	Rich County		
.0700	Garden City		

Worksheet for Computing Utah Use Tax (Retain this worksheet for your records.)

- Total amount of purchases subject to use tax \$ _____
- Use tax rate (decimal) \$ _____
- Use tax (multiply line 1 by line 2) \$ _____
- Credit for sales tax paid to another state \$ _____
- Amount of use tax due (line 3 less line 4)
Enter ZERO if less than zero \$ _____

Instructions for Schedule E – Prepayments of any Type

Line 1

Enter the total amount of all refunds applied from the prior year.

Line 2

List the date, check number and amount of extension prepayment.

Line 3

List the date, check number and amount of all prepayments made for the filing period. Enter the total amount on line 3. Attach additional pages, if necessary.

Line 4

Add lines 1, 2 and 3. Enter the total on this line and on TC-20R, line 12.

Utah State Tax Commission
210 N 1950 W, Salt Lake City, UT 84134
**Utah Regulated Investment
Company Tax Return**

2002
TC-20R
Rev. 12/02

This return is for the calendar year ending Dec. 31, 2002, or fiscal year beginning _____ and ending _____

- ☐ **ENTER CODE (1-4)**
• ☐ **FOR AMENDED RETURN**
- 1 - Amended IRS return 3 - IRS audit/adjustment
2 - Corrected state return 4 - Other
See instructions.

Corporation name			Employer Identification Number
Address			Utah Incorporation/Qualification Number
			Telephone Number ()
City	State	Zip code	

1. Net income/loss (federal form 1120-RIC, line 26).....	1	\$	00
2. Municipal interest as determined in IRC Section 852(b)(2)	2		00
3. Exclusion of net capital gain as determined in IRC Section 852(b)(2)	3		00
4. Net taxable income (add lines 1 through 3)	4	\$	00
5. Deduction for capital gains dividends (defined in IRC Sections 852 (b)(3)(c) and 852 (b)(5))	5		00
6. Exempt interest dividends (defined in IRC Sections 852 (b)(3)(c) and 852 (b)(5))	6		00
7. Total net taxable income (line 4 less lines 5 and 6)	7	\$	00
8. Tax (line 7 multiplied by .05, or \$100 minimum tax due, whichever is greater)	8		00
9. Total the penalties and interest listed below and enter on this line	9		00
Extension penalty \$ _____ Late filing penalty \$ _____ Late payment penalty \$ _____ Interest \$ _____			
10. Utah use tax, if \$400 or less (see instructions)	10		00
11. Total tax, penalties and interest due (add lines 8, 9 and 10).....	11		00
12. Total prepayments (Schedule E, line 4)	12		00
13. Total remitted (if line 11 is greater than line 12, subtract line 12 from line 11)	13	\$	00
Make check payable to: UTAH STATE TAX COMMISSION			
14. Total refund (if line 12 is larger than line 11, subtract line 11 from line 12)	14	\$	00
15. Check box(es) corresponding with installments that qualify for exceptions	1	<input type="checkbox"/>	
(See "Exceptions to Penalty on Estimated Tax" in the instructions.)	2	<input type="checkbox"/>	
Attach supporting documentation.	3	<input type="checkbox"/>	
	4	<input type="checkbox"/>	

Under penalties of perjury, I declare that to the best of my knowledge and belief, this return and accompanying schedules are true, correct and complete.

Signature of officer		Date	Title	
Paid Preparer's Section	Preparer's signature	Date signed	Check if self-employed <input type="checkbox"/>	Preparer's SSN/PTIN
	Firm's name (or yours, if self-employed)	Telephone		EIN
	Preparer's complete address	City	State	Zip code

General Instructions and Information

Regulated investment companies should refer to the Corporation Franchise or Income Tax instructions, form TC-20, to obtain information regarding the following:

- Corporation changes
- Suspension for failure to file or pay tax due

Supplemental Information to be Supplied by All Regulated Investment Companies

NOTE: An automatic extension of the statute of limitations relating to assessments of tax is provided by UCA §59-7-519 for failure to fully report the information required.

1. What is the last year for which a federal examination has been completed?

Under separate cover, send a summary and supporting schedules for the federal adjustments and the federal tax liability for each year for which federal audit adjustments have not been reported to the Tax Commission and indicate date of final determination. Forward information to Auditing Division, Utah State Tax Commission, 210 North 1950 West, Salt Lake City, UT 84134-0300.

2. For what years are federal examinations now in progress or final determination of past examinations still pending?

3. For what years have extensions for proposing additional assessments of federal tax been agreed to with the Internal Revenue Service?

Schedule E - Prepayments of Any Type - Enter the total from line 4 below on line 12 of TC-20R

1. Overpayment applied from prior year

1		00
2		00

2. Extension prepayment Date _____ Check number _____

3. Other prepayments (attach additional pages if necessary)

(a) Date _____ Check number _____

3(a)		00
3(b)		00
3(c)		00
3(d)		00

(b) Date _____ Check number _____

(c) Date _____ Check number _____

(d) Date _____ Check number _____

Total of other prepayments (add lines 3(a) through 3(d))

3		00
4		00

4. Total prepayments (add lines 1, 2 and 3) Enter here and on TC-20R, line 12.